

REGULAR CITY COUNCIL MEETING
MARCH 13, 1989

PRESENT

Ruth Hansen
Wesley J. Bloomfield
Gayle Bunker
David Church
Don Dafoe
Rex T. Harris

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

ABSENT

None

OTHERS PRESENT

Dorothy Jeffery
Richard Waddingham
Rita Byrd
Jerry Reagan
Aaron Losee
Wade Jensen
Craig Jensen
Marilyn Jensen
Rick Morris
Jeremy Cox
William Bryan
Brett Bunker
Carl Anderson
Russ Anderson
Justin Jackson
Ryan Robison
Travis Tasker
Paul W. Fowles
Torrey Oliver
Jeremy Mitchell
Wade Crapo
Justin Piacitelli
Jim Mitchell
Michael Skeem
Sam Draper
Klell Ekins

City Recorder
City Attorney
Public Works Secretary
Millard County Building Inspector
Boy Scout Troop 140
Boy Scout Troop 145
Boy Scout Troop 145
Millard County Resident
Boy Scout Troop 144
Boy Scout Troop 143
Boy Scout Troop 151
Boy Scout Troop 151
City Resident
Boy Scout Troop 154
Boy Scout Troop 153
Boy Scout Troop 134
Boy Scout Troop 134
Scoutmaster Troop 153
Boy Scout Troop 153
Boy Scout Troop 594
Boy Scout Troop 594
Boy Scout Troop 594
Boy Scout Troop 140
Boy Scout Troop 151
Boy Scout Troop 151

Mayor Hansen called the meeting to order at 7:00 p.m. Dorothy Jeffery, City Recorder, acted as secretary. Mayor Hansen stated that notice of the meeting time, place and agenda was posted at the principal office of the governing body located at 76 North 200 West and was provided to the Millard County

Chronicle/Progress, the local radio station, KNAK, and to each member of the City Council by personal delivery two days prior to the meeting.

MINUTES

The proposed minutes of a regular City Council meeting held February 27, were presented for consideration and approval. The Council reviewed the minutes briefly and proposed corrections. Council Member David Church MOVED that the minutes be approved as corrected. The motion was SECONDED by Council Member Gayle Bunker. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

ACCOUNTS PAYABLE

The Council reviewed the accounts payable, a list of which had been given to them two days prior to the meeting. Following a brief discussion of the accounts payable, Council Member Don Dafoe MOVED that the accounts payable be approved for payment as listed in the amount of \$50,446.56. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

OLD BUSINESS

ATTORNEY RICHARD WADDINGHAM: RESOLUTION ADOPTING AMENDMENT NO. 1 TO IMPACT ALLEVIATION AGREEMENT NO. 47

Mayor Hansen asked Attorney Richard Waddingham to present a proposed resolution.

Attorney Waddingham presented the following resolution entitled:

RESOLUTION NO. 89-180

A RESOLUTION ADOPTING AN AMENDMENT TO IMPACT ALLEVIATION AGREEMENT NO. 47 ENTERED INTO BETWEEN INTERMOUNTAIN POWER AGENCY (IPA) AND DELTA CITY, WHEREBY IPA EXCUSES DELTA CITY FROM ITS OBLIGATION TO REPAY AN OVERPAYMENT FOR IMPACT ALLEVIATION FUNDS RECEIVED FROM IPA IN CONSIDERATION FOR CERTAIN COSTS INCURRED BY DELTA CITY FOR SERVICES AND FACILITIES PROVIDED TO IPA.

Following brief discussion of the resolution, Council Member Gayle Bunker MOVED to adopt Resolution No. 89-180. The motion was SECONDED by Council Member David Church. Mayor Hansen asked

if there were any further comments or questions regarding the motion. There being none, she called for a roll call vote. The voting was as follows:

Council Member Wesley Bloomfield	Yes
Council Member Gayle Bunker	Yes
Council Member David Church	Yes
Council Member Don Dafoe	Yes
Council Member Rex Harris	Yes

Mayor Hansen then signed the resolution and it was attested by City Recorder Dorothy Jeffery.

ROBERT DROUBAY, PLANNING COMMISSION CHAIRMAN: ISSUANCE OF
CONDITIONAL USE PERMIT TO KAYE'S HAIR CARE

In view of Robert Droubay's absence, Attorney Richard Waddingham explained that Zoning Official Neil Forster needs to complete the procedure set out in the Zoning Ordinance in order to issue a Conditional Use Permit. He also said that there may be a problem with inadequate parking space at Kaye's Hair Care.

Following brief discussion, Council Member David Church MOVED to table this item until the next regular City Council meeting. The motion was SECONDED by Council Member Wesley Bloomfield. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

ATTORNEY RICHARD WADDINGHAM: AMENDMENT TO BUSINESS LICENSE
ORDINANCE RE: PAYMENT DATES

Mayor Hansen asked Attorney Richard Waddingham to present a proposed ordinance regarding Business License Payment Dates.

Attorney Waddingham presented the following ordinance entitled:

ORDINANCE NO. 89-116

AN ORDINANCE AMENDING SECTION 9-114.D. OF THE REVISED ORDINANCES OF DELTA CITY (1981 edition), AS AMENDED, REGARDING PROCEDURAL REQUIREMENTS FOR BUSINESSES THAT FAIL TO RENEW BUSINESS LICENSES WITHIN 60 DAYS OF RENEWAL DATE.

Following discussion, Council Member David Church MOVED to adopt Ordinance No. 89-116. The motion was SECONDED by Council Member Gayle Bunker. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a roll call vote. The voting was as follows:

Council Member Wesley Bloomfield	Yes
Council Member Gayle Bunker	Yes
Council Member David Church	Yes
Council Member Don Dafoe	Yes
Council Member Rex Harris	Yes

Mayor Hansen then signed the ordinance and it was attested by City Recorder Dorothy Jeffery.

MAYOR RUTH HANSEN: APPOINTMENT OF BOARD OF ADJUSTMENT MEMBERS

Mayor Hansen reported that Rod Staples and Gary Shelton have agreed to serve on the Board of Adjustments and recommended that they be appointed to serve on that Board.

Council Member Don Dafoe MOVED that Rod Staples and Gary Shelton be appointed as members to the Board of Adjustments. The motion was SECONDED by Council Member Gayle Bunker. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

MAYOR RUTH HANSEN: DELTA CITY EMPLOYEE HEALTH INSURANCE PROPOSALS FOR FISCAL YEAR 1989-1990

Mayor Hansen discussed with the Council a letter received from Monty J. Eggett, Executive Director of the Utah Local Governments Insurance Trust, in which a representative from Delta City was invited to attend an Annual Meeting to be held March 16, 1989, in Salt Lake City. Council Member Rex Harris was asked and agreed to attend this meeting.

The Council briefly discussed employee health insurance packages and premiums, after which the Council scheduled a Council/Employee meeting for Monday, March 20, 1989, at 5:00 p.m. for the purpose of discussing employee health insurance.

NEW BUSINESS

RICHARD K. TURNER, CPA: LETTER REGARDING DELTA CITY AUDIT FOR YEAR ENDED JUNE 30, 1988

Mayor Hansen asked Greg Nielsen, representing Richard K. Turner, CPA, to address the Council.

Mr. Nielsen reviewed in detail the following Management Letter from Robison, Hill & Co. regarding the Delta City Audit for the year ended June 30, 1988:



ROBISON, HILL & CO.
A PROFESSIONAL CORPORATION

Certified Public Accountants
W. LAMONT ROBISON, CPA
L. ARNOLD HILL, CPA
DAVID G. SEAL, CPA
BRENT M. DAVIS, CPA
W. DALE WESTENSKOW, CPA

January 24, 1989

Honorable Mayor and Members of
the City Council
City of Delta
Delta, Utah

We would like to thank you and your staff for your cooperation with the examination of the City of Delta's financial statements for the year ended June 30, 1988. We have reviewed the City's accounting procedures and internal controls, and we believe the existing procedures are adequate. We would, however, like to make the following suggestions and comments:

Justice Dockets

The review of the justice dockets and related cash receipts records again revealed that some court fines assessed in prior years have not yet been collected. We recommend that the City consider implementing a computerized system for record keeping. If this was properly done, the status of any outstanding dockets would be available for review at any given time. We also suggest that better policies and procedures be put into effect concerning the follow-up of past due court fines. The outstanding dockets should be reviewed periodically during the year by City officials to determine if they actually represent assets of the City or if they should be written off as uncollectible.

Fixed Assets Accounting Records

Again we recommend that the City maintain its own detailed fixed assets and related Enterprise Fund depreciation accounting records. These records are very important for the City to keep current and should be reviewed during the year to ensure additions and retirements of fixed assets are properly recorded. Additions to these records should include purchased as well as donated or dedicated assets.

We recommend that all City equipment be tagged "Property of the City of Delta" and that the City take a yearly inventory of all fixed assets to ensure accountability for fixed assets.

Our examination revealed that several building permits have been issued in prior years on the promise that water will be dedicated to the City instead of making the \$1,000 water development fee payment as is required. Some of these water dedications have been pending for over a year with no action being taken by the City. We recommend that the City implement procedures to follow-up on items of this nature as they represent potential assets of the City.

Capital Projects Funds

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by Proprietary Funds, or Trust Funds. Capital Projects Funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery, equipment, and other relatively minor or comparatively short-lived general fixed assets or for repair and maintenance type items. These items are normally financed directly from current revenues of the General or Special Revenue Funds, and accordingly are accounted for in those funds.

Capital Projects Funds are temporary funds which should be eliminated once the specific capital project is complete. Section 10-6-131 (2) of the Utah Code requires that "any balance remaining in a capital improvements or capital projects fund shall be transferred to the appropriate debt service fund or other fund as the bond ordinance may require and otherwise to the fund balance account in the general fund."

Currently the City is accounting for the repair and maintenance of streets in a capital projects fund. Also, the construction of major improvements in regards to the open drain enclosure appear to be complete. We recommend that the City review the status of each individual fund and determine if they should be eliminated or accounted for within a different fund.

Historically, there has been a tendency for cities to establish an unnecessary number of funds. In so doing, they have not only created excessive administrative and accounting problems, but also their financial statements have become more complicated and difficult to interpret. Under proper administration, each fund created has certain restrictions and limitations. A proper budgetary and accounting control of the general fund should include all general activities of a city. The creation of numerous funds only brings about inflexibility in budgeting and administration.

General Ledger Receipts Detail

During our examination, it was noted that receipts are not separately identified in the general ledger. An amount and a receipt number sequence

is listed but no source. We recommend that all receipts be entered individually with the source of funds, the receipt number and the amount to provide a better audit trail.


Negative Retained Earnings

The Sewer Fund had a negative retained earnings of \$99,780 at June 30, 1988, with a loss of \$37,595 for the year then ended. The Sewer Fund had a negative retained earnings at June 30, 1986 of \$18,284 with a loss for the year ended June 30, 1987 of \$19,311 and a negative retained earnings of \$37,595 at June 30, 1987. We recommend that the City consider raising its sewer rates to prevent future losses and begin to reverse the negative retained earnings in the Sewer Fund.

The State Auditors' Office interprets Utah Fiscal Procedures Act (Section 10-6-117) as prohibiting negative retained earnings in Enterprise Funds.

We hope the above comments will be helpful. If we can answer any questions, please do not hesitate to contact our office.

Respectfully submitted,


ROBISON, HILL & CO.
Certified Public Accountants

Mayor Hansen thanked Mr. Nielsen for his presentation.

OTHER BUSINESS

Council Member Rex Harris reported that the Millard County Fire District issued the Delta City Fire Department an extra \$5,000 for capital purchases. The Council concurred that the Fire Department should purchase the Fireworks for the 4th of July, if it can legally be done.

Mr. Harris also reported that the Delta Fire Department needs to purchase a new generator and asked for Council's approval. The Council agreed to the purchase.

Attorney Richard Waddingham explained to the Council that Millard County is planning to build a restroom facility on property that Delta City deeded to the West Millard Recreation District. However, Millard County is concerned about the Special Warranty Deed that was issued, in which there is a provision that if the property is used for anything other than recreational purposes, the property then reverts back to Delta City.

Council Member Don Dafoe reminded the Council that the intent of the Special Warranty Deed was that if the entire facility was ever used for something other than recreation, then the property would revert back to Delta City.

Attorney Richard Waddingham was instructed to review the language of the Special Warranty Deed.

City Recorder Dorothy Jeffery reported that the Delta City Youth Council has arranged to demolish an old home as a money making project. They are also willing to help with the Annual Spring Clean-Up.


Council Member Wesley Bloomfield reported that Jim Edwards has completed the property description for the West Delta Annexation but has not yet completed the plat map.

Council Member David Church requested that reconsideration of the December 12, 1988 minutes be placed on the next Council agenda.

Mayor Hansen asked if there were any further comments, questions or items to be discussed. There being none, Council Member David Church MOVED to adjourn. The motion was SECONDED by Council Member Rex Harris. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none,

she called for a vote. The motion passed unanimously. Mayor Hansen declared the meeting adjourned at 8:00 p.m.


RUTH HANSEN, Mayor


DOROTHY JEFFERY
Delta City Recorder

MINUTES APPROVED: RCCM 3-27-89